

Message Text

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43

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 COME-00 INT-08 GSA-02 STR-08

CIAE-00 INR-11 NSAE-00 RSC-01 CIEP-03 OPIC-12 AID-20

TRSE-00 DRC-01 /094 W

----- 042402

R 171510Z SEP 74

FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC 8564

INFO AMEMBASSY KINGSTON

AMEMBASSY SANTO DOMINGO

LIMITED OFFICIAL USE PORT AU PRINCE 1812

E.O. 11652: N/A

TAGS: EMIN, EFIN, EIND, HA

SUBJECT: RENEGOTIATION OF GOH/REYNOLDS CONTRACT STALLED UNTIL
NOVEMBER

REF: P-AU-P 1701

1. ON SEPT. 11 THE HAITIAN SECRETARY OF COMMERCE AND INDUSTRY
APPEARED ON TV TO REPORT TO THE NATION THAT THE MEETINGS WITH
REYNOLDS TO REVISE THE FINANCIAL CLAUSES OF THE CONTRACT COVERING
EXPLOITATION OF BAUXITE IN HAITI HAD REACHED AN IMPASSE AFTER TWO
DAYS OF NEGOTIATIONS. THE DISCUSSIONS WILL BE RESUMED ON NOV. 11.

2. ACCORDING TO THE OFFICIAL COMMUNIQUE, THE HAITIAN NEGOTIATING
COMMITTEE, WHICH WAS PRESIDED OVER BY THE PRESIDENT, ASKED REYNOLDS
TO PAY A TAX EQUIVALENT TO 7 1/2 PERCENT OF THE PRICE OF ALUMINUM
ON THE AMERICAN MARKET (EQUIVALENT TO \$14.00 PER DRY LONG TON OF
BAUXITE EXPORTED, COMPARED TO AVERAGE RECEIPTS OF \$1.88 PER TON
PAID DURING THE 1971-73 PERIOD). THE REQUEST WAS BASED ON THE NEED
"TO ESTABLISH A DIRECT, REASONABLE AND EQUITABLE LINK BETWEEN THE
TAXES PAID BY MULTINATIONAL COMPANIES AND THE PRICES
OF THE FINISHED ARTICLES MANUFACTURED FROM RAW MATERIALS TAKEN
FROM THE SUB-SOIL OF THIRD WORLD NATIONS."

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3. THE OFFICIAL RELEASE REPORTED THAT REYNOLDS OFFICIALS HAD OFFERED TO PAY THE GOH A TAX EQUIVALENT TO 4 PERCENT OF THE PRICE OF ALUMINUM ON THE AMERICAN MARKET (OR AN ESTIMATED \$6.11 PER DRY LONG TON OF BAUXITE EXPORTED).

4. COMMENT: ALTHOUGH THE GOH HAS USED THE SAME FORMULA AS JAMAICA IN ITS PRELIMINARY POSITION, IT WILL NOT BE CLEAR UNTIL NOVEMBER WHETHER THIS IS A "NON-NEGOTIABLE" DEMAND OR WHETHER THE HAITIANS WILL ACCEPT A COMPROMISE.

DECONTROL FOLLOWING 12/31/74.
ISHAM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BAUXITE, NEGOTIATIONS, MINING INDUSTRY, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740260-0581
From: PORT AU PRINCE
Handling Restrictions: n/a
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ISecure: 1
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Review Exemptions: n/a
Review History: RELEASED <16 SEP 2002 by boyleja>; APPROVED <03 MAR 2003 by cunninfx>
Review Markings:

Declassified/Released
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EO Systematic Review
30 JUN 2005

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TAGS: EMIN, EFIN, EIND, HA, REYNOLDS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005